

Gregory Thomas Field

The Director
Corporate Tax Policy Unit
Treasury
Langton Crescent
Parkes ACT 2600
Email: frankeddistribconsult@treasury.gov.au

Dear Sir,

Re: Objection To Proposed Legislation to Franked Distributions and Capital Raising

I would like to submit an objection to the above proposed legislation changes.

I find the prospect of retrospective taxation quite repugnant when investors have only been following the rules that were in place at the time. This outcome would have a very serious impact on self funded retirees that are already struggling with inflation and other cost of living expenses. Tax laws should not be allowed to change retrospectively when Australians have budgeted for and paid their lawful tax assessment based on existing tax law in place.

I also believe the draft legislation is inequitable to Australian companies and shareholders and it could inadvertently impact situations of legitimate company operations. It will stop Australian companies who issue new shares under a Dividend Reinvestment Plan (DRP) from paying franked dividends and significantly increase the cost of capital for all franked dividend paying Australian companies. At a time when the Government should be supporting companies, this legislation would have the complete opposite outcome and hamper the legitimate activities of respectable taxpaying companies.

Please note my strong objection to this proposal.

Yours faithfully

Greg Field